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# NEWS RELEASE

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## **Increases in Income Limits Announced** **Higher Limits Reflect Economic Changes**

**NASHVILLE (April 27, 2006)** – The income limits for Tennessee’s first-time homebuyer program will rise effective May 1, 2006. The mortgage interest rates will remain the same at 5.4% and 6.4%.

“This is a good time to buy a house with THDA financing,” said Tennessee Housing Development Agency Executive Director Ted R. Fellman. “We have affordable rates and we have a variety of programs to help very low, low and moderate income homebuyers. The income limits are calculated based on local costs of living. These adjustments reflect today’s moderate income levels.”

Household size is measured as small for one or two persons and large for three or more. Some limit increases were minor. The change in Davidson County is only \$40 higher for a three or more-person household. Now “larger” families in Davidson can earn as much as \$70,840 and be eligible for a THDA mortgage. More significant changes came as rural counties were added to areas with an urban center. Families of one or two persons in Cannon County can earn as much as \$61,600 after May 1, and the limit was \$50,300 for applications received through April. Larger households can earn up to \$70,840 May 1 and thereafter.

“We have households of all income levels across our state,” said Fellman. “THDA wants to have programs to encourage homeownership in every county. Owning your home is important on many levels. It is emotionally satisfying, stabilizing for the community and a boon to the economy. We ask real estate agents, lenders and builders to share the message of THDA’s programs and help us identify families ready to make the commitment.”

THDA was established by the General Assembly in 1973 as a means to encourage homeownership and stimulate the homebuilding industry. THDA is authorized to sell tax-exempt mortgage revenue bonds and invest the funds in mortgages for households fitting the guidelines for housing finance agencies set by Congress. As the state’s housing agency THDA also administers the Low Income Housing Tax Credit, the HOME grant program, and administers the Housing Choice Voucher (formerly known as Section 8) as a Public Housing

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Authority for households in 75 counties. Its Research, Planning and Technical Services Department generates housing data to help various entities. Its data is posted on line at [www.tennessee.gov/thda](http://www.tennessee.gov/thda).

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**Editor's Note: Income and sales price limits are posted by county. See <http://www.state.tn.us/thda/Programs/Mortgage/acqinc.html>**